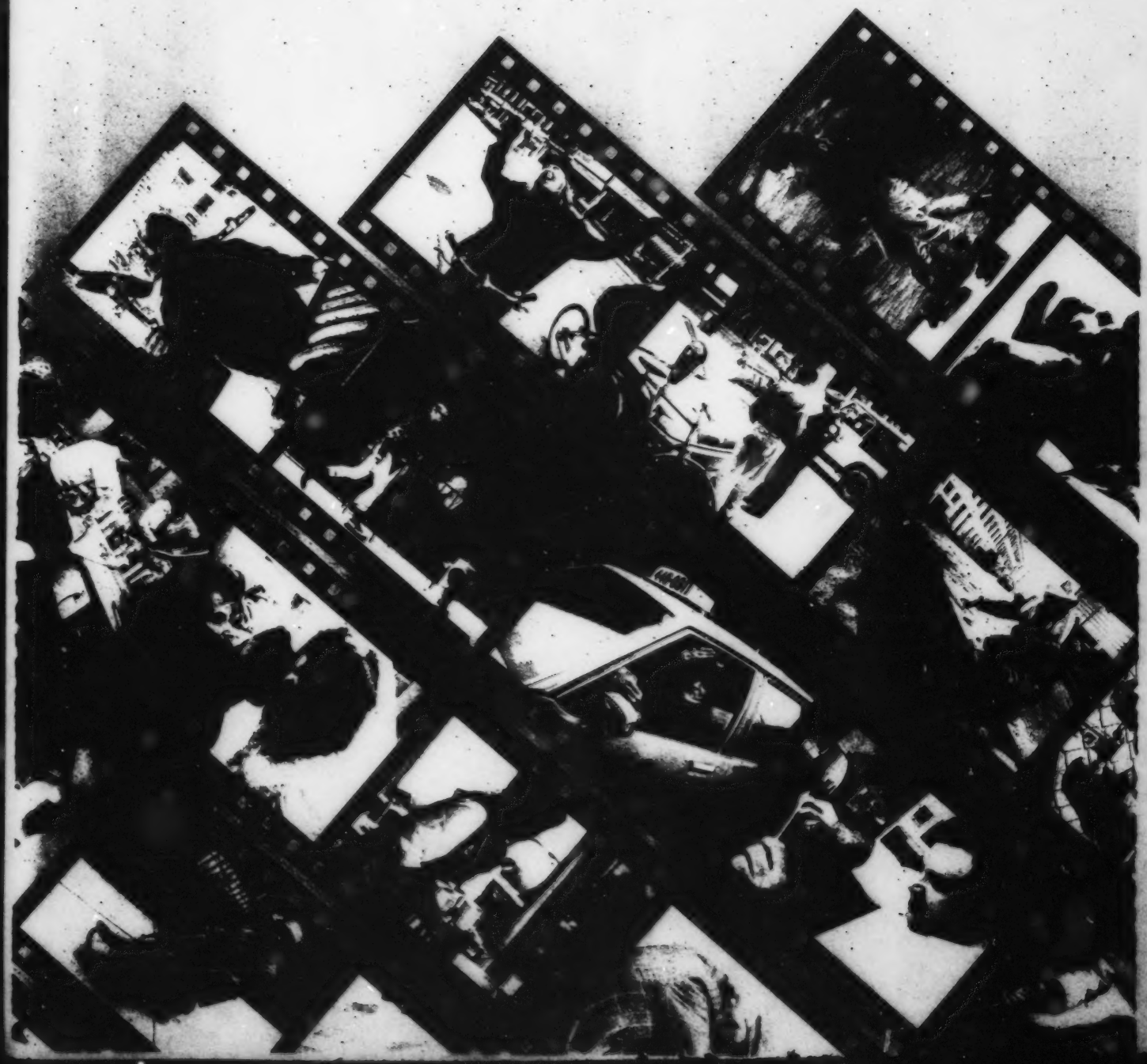
METRO TORONTO

ANNUAL REPORT 1991



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Metropolitan Toronto has been a leader, an innovator and a catalyst for urban change and improvement for almost forty years. It was the first community in North America to develop the concept of a regional federation of municipalities, one which quickly became a highly-successful structure for local government. The overall goal remains as fundamental as it is rational: unify common functions in the interests of economy, effectiveness and efficiency, while leaving matters of primarily local importance to the constituent communities.

Foremost among the objectives of the Metropolitan Corporation was the desire to enable its area municipalities to foster their own, unique way of growing and changing. They created new residential neighbourhoods of strength and character while preserving our urban heritage, nourished the formation of myriad shopping and entertainment areas, and promoted new commercial and industrial sectors to generate jobs and a robust, competitive urban economy.

Metropolitan Toronto has become one of the world's most cosmopolitan and creative communities, and it will remain so. But, as the largest, most dynamic Canadian regional economy, Metropolitan Toronto both contributes to, and reflects, the impact of national economic cycles.

Renewing Metro's economic health is vital. It is the task at hand and a singular goal of the Corporation as it seeks to forge economic recovery amidst the reality of an almost overwhelming recession.

Metropolitan Toronto has the strategic foresight and the determination it needs to discharge its responsibilities for the provision of efficient and effective municipal services in accordance with established priorities and fiscal realities. It will continue to seek a stronger partnership with other levels of government, the private sector and the community at large to get the job done.

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MESSAGE FROM THE METRO CHAIRMAN

The 1991 Annual Report of the Municipality of Metropolitan Toronto reflects the energy and dynamics of life in our community. Let me say at the outset that I am especially proud of the people of Metropolitan Toronto, and our employees, as we continue to struggle with the consequences of the worst economic recession in decades.

While municipal governments do not have the legislative authority to adjust the major economic variables, we will stimulate our economy through whatever leverage we can muster. Our capital works program is targetted to maximize its economic impact and job creation potential.

Taxpayers in Metro now expect more value than ever from local government, and I understand that. Our financial decisions reflect a desire to provide quality services to the citizens of Metropolitan Toronto. No one can deny the concerns over taxes, but my perception is that what taxpayers really want to see is "value for money" for their tax dollar. I can assure you that the Metropolitan Toronto Government is determined to provide real value in the services it delivers at affordable tax levels.

Economic recovery and the delivery of quality services are key objectives but we must also keep our financial house in order. We have to get our costs in line and maintain our financial viability as a corporation. It is a fine balance, but we must strive to achieve it. There is no question that the next several years are going to be tough. The economic realities that have confronted the private sector will now have a corresponding impact on the public sector. As we review our major programs, we are going to be forced to make some trade-offs. And yes, we may have to cut some programs for the first time in our history.

Metro's combined operating and capital budgets are now nearing 4 billion dollars. The mega-issues we're dealing with are of concern to over 2 million people in Metro and another 1.7 million people in the surrounding regions. There are many issues to resolve in the short and long term. Policing, public transit and roads, community and social services, waste disposal and regional planning are key among them. Progress has not been nearly fast enough. We must work through the most appropriate roles that Metro, the surrounding regions and the Province can best serve in delivering the most cost-effective services to our taxpayers.

Responsibility and accountability for the delivery and funding of our programs have become blurred and confusing over the years. The Provincial government and municipalities have become entangled to the point where taxpayers are frustrated and, indeed, in some cases alienated from their governments. I am encouraged that the Province has recognized this and we are jointly embarking on a process of "disentanglement". The goal is to define the roles among the various governments so that each level has clear responsibility and accountability for specific services and the authority and financial capacity to effectively deliver them.

In adopting our Strategic Plan in May 1991, Council set out very clear goals and objectives regarding the economy, the environment, and social services, all within a framework of a Metropolitan government which is to be fully accountable to its citizens.

I believe the Metropolitan Toronto government serves its residents and those hundreds of thousands who live around our borders, and who visit or work in Metro every day, in a most exceptional way. We will continue to improve the quality of our services, deliver them in the most cost-efficient manner, all within a framework that is more financially accountable.

Alan Tonks
Chairman
Metropolitan Toronto Council

Dale Richmond, Chief Administrative Officer (left) and Alan Tonks, Metropolitan Chairman

TREASURER'S REVIEW

1991 was a year characterized by a deep economic recession and an unprecedented fiscal challenge. More than at any time in its past history, the Municipality of Metropolitan Toronto was called upon to demonstrate that it possessed the political will and management capacity to preserve the basic financial foundation it has carefully nurtured over nearly four decades, in order to maintain a social safety net for the community and to protect the quality of life its residents have come to expect.

Through a prudent exercise of disciplined fiscal management, Metropolitan Council effectively discharged its 1991 service obligations and concluded the general municipal purpose activities of the Metropolitan Corporation with an operating surplus of $33.2 million - the 39th consecutive surplus since its incorporation in 1953.

Of particular significance, the Corporation's "Triple A" credit rating was recently confirmed both by Moody's Investors Services and by Standard and Poor's Corporation. These internationally-recognized credit rating agencies cited, in particular, the Municipality's strategic and diverse base of taxable resources, significant reserve balances, consistently low debt levels and prudent financial management policies as key factors providing the Corporation with sufficient fiscal maneuverability to withstand both the immediate and longer term outlook occasioned by the current uncertain economic climate.

This Review is intended to analyze and comment upon the principal features of the financial information contained in the 1991 audited consolidated financial statements and to highlight some of the more significant financial activities which occurred during the year. It will also outline the Corporation's financial management policies and processes and, finally, consider some of the challenges and opportunities that lie ahead.

The management of the Municipality of Metropolitan Toronto is responsible for the integrity, objectivity and accuracy of the financial information presented in the accompanying consolidated financial statements. These statements consolidate all operations for which the Municipality of Metropolitan Toronto has legislative and financial responsibility.

The Metropolitan Auditor has reported to Metropolitan Council expressing independent and informed judgement regarding the Municipality's consolidated financial statements presenting its financial position and results of its operations in conformity with generally accepted accounting principles for Ontario municipalities. The Auditor's Report, appended to the financial statements, is based on findings consequent upon an examination of the Corporation's accounting systems, procedures and internal controls, and is conducted in accordance with generally accepted auditing standards.

The financial information contained in this Review is consistent with the audited consolidated financial statements.

Jack Pickard, Metropolitan Treasurer

ECONOMIC PERSPECTIVE

The current recession has particularly impacted the Metropolitan Toronto economy. The Toronto region's unemployment rate soared from approximately 4% at the beginning of 1990 to just over 10% by December 1991, equalling the national unemployment level. Structural economic change and the overbuilding of the 1980's have resulted in a particularly severe contraction in the construction industry. Southern Ontario, with Canada's highest concentration of industry, has been impacted not only by the business cycle downturn but also by the industrial restructuring brought about by increasing international competition and the productivity imperative.

The downturn in Metropolitan Toronto's economy had an adverse impact on the Municipality's revenue and expenditure base. Faced with the reality that government revenues at all levels were being seriously jeopardized, the Municipality concurrently had to manage escalating costs in all areas of service delivery, particularly social services, policing, and public transit.

The most severe financial implication of the economic recession for the Municipality arose from the resulting massive job losses which placed unprecedented pressures on the Corporation's finances through its obligations to fund its share of general welfare payments. Additionally, the recession has caused a significant drop in ridership of the Toronto Transit Commission. Other agencies such as Exhibition Place and the Metropolitan Toronto Zoo experienced revenue shortfalls as discretionary income in the community was curtailed.

FINANCIAL MANAGEMENT AND CONTROL

The financial management and control of the Metropolitan Corporation is largely governed by a By-law which prescribes funding authorizations, appropriation controls, expenditures, transactions, purchasing and accounting processes. The basic unit of funding allocation is an "appropriation" and the By-law specifies that the Metropolitan Council has the sole authority to allocate funds to specific appropriations through the approval of the Operating Budget and the Capital Works Program. Department heads, following such approval, have the authority to commit funds for approved corporate programs and objectives subject to the terms of the By-law.

The three principal components of the financial management and control of the Metropolitan Corporation - the budgetary, accounting and audit processes - are described below:

The Budgetary Process

Operating Budget

The Metropolitan Council each year adopts an operating budget which, under provincial legislation, requires that sufficient revenues be raised to meet all expenditures, including capital financing charges, falling due in the year. The Corporation may not specifically budget for an in-year surplus and any surplus which occurs must be fully applied to reduce the following year's tax levy requisitioned upon the metropolitan area municipalities.

Detailed below are the main steps in the operating budget process:

- Standing Committees set program and policy priorities with the emphasis on program needs and policy direction for the coming year.
- The Management Committee, on the recommendation of the Budget Variance Sub-Committee, issues budgetary guidelines taking into account prevailing economic and fiscal conditions.
- Operating budget submissions from departments and agencies are forwarded to the Chief Administrative Officer's Department and to the appropriate Standing Committee for review. Excerpts from the budget submissions are consolidated into the Preliminary Operating Budget book which provides

an overview and consolidation of budget requests.

- Budget staff of the Chief Administrative Officer's Department review submissions to verify the assumptions, evaluate the justifications and determine if funding requests are affordable and consistent with corporate policy.
- Members of the Management Committee chair budget meetings with the department or agency staff, the Chair of the Standing Committee and other interested Members of Council to review the Budget Analysis Reports. The Chair of the Standing Committee provides an important link between the Standing Committee and the Management Committee.
- The Management Committee reviews the consolidated budget and recommendations from individual Members' Review Reports and makes recommendations to Council.
- Metropolitan Council approves and adopts the final operating budget.

To ensure adherence to the operating budget, an in-year Variance Reporting Process requires each head of department or agency to submit on a regular basis directly to the Budget Variance Sub-Committee reports explaining any significant variations from budget, any possible offsetting transfers between appropriations and, where necessary, appropriate corrective actions.

Ongoing changes will further enhance the operating budget process. A plan for a Performance Measurement System was adopted by Council in 1991 and is expected to be fully implemented in 1993. This system is intended to provide a better link between financial reporting, program inputs and program outputs. Additionally, it will allow for reporting of service levels and accomplishments and so provide a broader basis of accountability for results at all levels of decision-making within the corporation.

Capital Works Program

The Five-Year Capital Works Program is reviewed and revised annually in the budgetary process and includes a fiscal impact analysis of each capital project to determine the overall financial implications for subsequent operating budgets. Such analysis forms the basis for recommended guidelines with respect to growth in annual debt charges, the level of debt outstanding and a balanced use of borrowing and capital financing out of current fund allocations.

Metropolitan Council adoption of the Corporation's Five Year Capital Works Program does not constitute approval to proceed to completion for any project contained therein. Each individual project must be separately justified and requires specific Council approval to commence. Funds must be included within the Program and be within the total annual borrowing quota authorized for the Municipality by the Ontario Municipal Board. For certain projects, additional approvals of other Provincial or Federal agencies may be required. Finally, the award of construction contracts is subject to approval by the Metropolitan Council. In this manner the sequence of approvals required for each project provides several opportunities to review and expand or curtail project expenditures.

The Accounting Process

The accounting function of the Municipality of Metropolitan Toronto is the responsibility of the Metropolitan Treasurer. The accounting process is decentralized, with individual metropolitan departments having functional responsibility for processing all accounting transactions and maintaining supplementary accounting records for their own operational management. By the issuance of policies, procedures and guidelines, the Treasurer ensures that the accounting records maintained by the Corporation conform to Council and budgetary requirements, corporate policies, proper accounting treatment and requirements for financial reporting.

A strategic review of the Corporation's financial systems and informational requirements is currently underway to support the financial management and control processes. This review is intended to ensure that future systems continue to satisfy the increasing demands for information from both corporate and departmental perspectives, in the areas of

accounting, operational planning and management information.

To ensure that all transactions are recorded accurately and on a timely basis, are properly approved and serve as the basis for reliable financial information, the Municipality maintains an extensive system of internal accounting controls. The adequacy and effectiveness of the control systems are subject to ongoing monitoring by both the Treasury and Audit Departments.

The Audit Process

The consolidated financial statements of the Municipality of Metropolitan Toronto, together with the individual financial statements of the entities presented in the consolidation, are all subject to independent audits conducted by the Metropolitan Auditor, a statutory officer of the Metropolitan Corporation who reports independently to the Metropolitan Council.

The Auditor's Report is based on an examination of the Corporation's accounting systems, procedures and internal controls and is made in accordance with generally accepted auditing standards, including such tests and other procedures as the Auditor considers necessary in the circumstances.

The Auditor is also required to perform such duties as may be required by the Metropolitan Council or any local board of the Metropolitan Corporation that do not conflict with the duties prescribed by the Ministry of Municipal Affairs of the Province of Ontario.

Operating Expenditures

The total gross operating expenditures of the Metropolitan Corporation and its consolidated local boards, agencies and commissions to provide essential services and benefits to the inhabitants of Metropolitan Toronto in 1991 was $3.41 billion compared to $3.09 billion in 1990, an increase of 10.4%. Unprecedented service demands placed on the Corporation in a difficult economic environment, particularly in the area of general welfare assistance payments, coupled with provincially mandated program shifts not accompanied by matching funding, account for the majority of the increase in 1991 expenditures.

The following chart depicts the total gross 1991 operating expenditures by function.

1991 Current Expenditures By Function

	%
Social and Family Services	37
Transportation Services	26
Protection to Persons and Property	16
Environmental Services	9
General Government	5
Recreation and Cultural Services	4
Health Services	2
Planning and Development	1
	100

For the first time since incorporation in 1953, operating expenditure on Social and Family Services, at $1.25 billion (1990 - $854 million), exceeded all other expenditure functional areas at 37% of total expenditures. This extraordinary increase (46.3% over 1990), was the result

of an escalation in the welfare caseload from a total of 66,261 cases in 1990 to 98,167 in 1991. This involved a number of factors, most notably the effects of the recession and changes made by the federal government to eligibility requirements for unemployment insurance benefits. Associated with this was the necessary addition of 148 new staff in the Social Services Division to handle the caseload increase.

Transportation-related services expenditure in 1991 amounted to $869 million, a slight decline of $5 million from 1990 and primarily related to expenditure reductions of the Toronto Transit Commission as a consequence of an eight-day strike in September, 1991. Included also in this category is expenditure on the maintenance and rehabilitation of the metropolitan regional roads system which rose to $115 million in 1991, an increase of 8% over 1990.

Included in environmental service expenditures are the transfer of funds received from "tipping" operations (the disposal by private haulers of industrial and commercial waste into metropolitan landfill areas and transfer stations) to a waste management reserve. When such interfund operating transfers are eliminated, as shown on the Consolidated Statement of Operations, environmental expenditures in 1991 of $279 million increased by 12.3% over 1990, reflecting Council's ongoing commitment to environmental improvement through its emphasis on new recycling and other landfill initiatives. It is significant that the entire environmental service operations of the Municipality, including solid waste management, water pollution control and water supply, are fully funded through user fees and do not impact the metropolitan tax levy.

Policing resources experienced increased demands for providing security in Provincial courts necessitating the provision of funding for an additional 85 uniform officers and 41 civilian staff. This accounts in the main for the increase in protection expenditures from $524 million in 1990 to $565 million in 1991.

The Corporation's outlay on social and family services, transportation, the environment and protection, as outlined above, represents 88% of total gross operating expenditures. The remaining current operating costs relate to the functions of general government, health, recreation and planning which, in total, at $365 million in 1991, increased by $24 million, or 6.9%, over 1990, after the elimination of inter-fund transfers.

Operating Revenues

In 1991, revenue from current operations was $3.37 billion, an increase of $305 million or 10% over 1990. Over 73% of all revenue received to finance current operations was derived from three sources: taxation, water and sewer billings to area municipalities and provincial grants. User fees for services provided by the municipality, other than water and sewer billings, accounted for 20% of 1991 revenues while other miscellaneous sources such as investment income, fines and operating transfers from other funds comprised the balance.

The Metropolitan Corporation levies sums of money, not mill rates, on the constituent area municipalities. However, for purposes of annual comparisons, the total general levy is translated to an "average equivalent residential mill rate".

The assessment figures used for purposes of apportionment of the metropolitan levy include, in addition to taxable amounts, the equivalent assessed value of all properties for which the area municipalities receive payment in lieu of taxes and also equivalent assessments in respect of telephone and telegraph company receipts and certain provincial grants. Provincial legislation provides for the general tax levy to be distributed by area municipality on the basis of weighted assessment; weighted assessment being the total of commercial assessment and 85% of residential assessment.

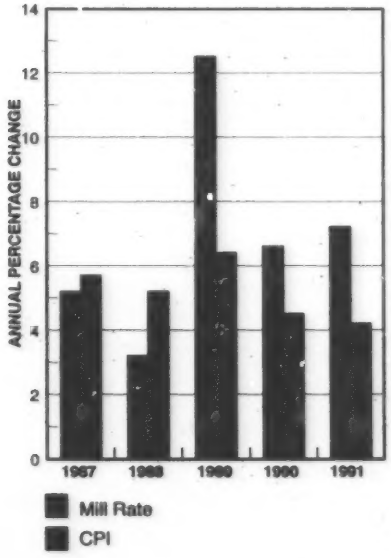
The Metropolitan general levy requirement is apportioned over the six area municipalities on the basis of this weighted total general metropolitan assessment to determine the net amount of money actually levied upon each area municipality. Such sums are then converted by each area municipality into residential and commercial mill rates, based on taxable assessments, with the

residential rate established at 85% of the commercial rate.

In 1991, revenue from taxation levied upon the area municipalities, at $1.02 billion increased by $84 million, or 9%, over 1990. However, offset by a small increase in the weighted assessment of 1.9% in 1991, the increase in the 1991 average equivalent mill rate was 6.9%.

The following graph compares the increase in the metropolitan "average equivalent residential mill rate" with the annual change in the consumer price index over the last five years.

Comparison of Annual Change in Consumer Price Index with Mill Rate Increase 1987 – 1991



Grants received from the Province of Ontario, at $1.228 billion in 1991, rose by $346 million, or 39%, over 1990. Since unconditional funding increased by only 5%, the major component of this increase was related to increased metropolitan costs eligible for conditional grant funding. Of the total increase in conditional grants of $340 million, more than $305 million, or 90%, was directly related to provincial funding of the extraordinary welfare assistance caseload volumes in 1991.

User fees, at $886 million in 1991, declined significantly from $968 million in 1990 due primarily to the reduction in solid waste tipping fees by industrial and commercial users, loss of transit fare revenue as a result of both the transit strike and recession-related factors, and revenue shortfalls in agencies such as Exhibition Place and the Metropolitan Toronto Zoo.

Although a general decline in interest rates resulted in a drop in investment income from $63 million in 1990 to $45 million in 1991, three special one-time offsets to 1991 expenditures were effected to cushion the Corporation from the impact of the extraordinary welfare costs and other recession-related expenditures: a total of $55.1 million was redirected from the Solid Waste Management Reserve to operating revenues; $18 million was transferred from the Reserve for Major Expenditure Variations to the operating fund; and, finally, sinking fund surplus monies in the amount of $18.8 million, which have traditionally been used to reduce capital borrowing, were allocated to general revenues during the year.

ACCUMULATED NET REVENUE

General Municipal Purposes

As previously indicated, despite the effects of the economic recession on the growth of social service expenditures and the decline in transit and other user charge revenue, an operational surplus of $33.2 million was recorded in fiscal 1991. This surplus was primarily attributable to a decrease in debt charges, the elimination of an additional contribution of $15 million to the Reserve Fund for the Construction of Metro Hall and corporate expenditure restrictions imposed during the last quarter of 1991.

Transit Operations

As indicated in the Notes to the Financial Statements (Notes 1(b)(vi) and Note 9), the financial statements of the Toronto Transit Commission and Metropolitan Toronto Coach Terminal Inc., originally prepared on a commercial basis of accounting, have been restated to reflect a municipal basis of accounting for capital transactions prior to their incorporation in these consolidated financial statements.

Prior to this technical accounting conversion, the combined equity of these two entities on a commercial basis of accounting amounted to $46 million at the end of 1991. The conversion process, however, requires that the entities' capital assets (less accumulated depreciation) be recognized at the value of the related net outstanding debt. This has the effect of reducing the combined equity of these two entities by $122 million and, accordingly, such equity on a municipal basis of accounting translates into a deficiency of $76 million. It is emphasized, however, that this technical conversion is required under rules prescribed by the Ministry of Municipal Affairs but does not in any way cause an impairment of the Corporation's financial position.

CAPITAL OPERATIONS

In setting its capital program for 1991, Metropolitan Council authorized total gross capital expenditures of $740 million, an increase of almost 50% over the previous year's level. This unprecedented level of capital spending was intended not only to accelerate necessary planned improvements to the Corporation's infrastructure, but to tangibly demonstrate Council's commitment to an economic recovery strategy through the enhancement of job-creation potential throughout the community.

Due to a variety of factors, actual 1991 capital spending amounted to $440 million compared to $458 million in 1990, a decrease of 4%. This capital spending shortfall was primarily caused by the following factors: (1) delays in the receipt of Certificates of Approval from the Ministry of the Environment which led to the curtailment of expenditures on Water Pollution Control Treatment Plants; (2) no appropriate site was found for the first planned composting plant; (3) a delay occurred in the processing of orders for transit vehicles; and (4) lack of matching provincial subsidy which meant that a number of transportation capital projects could not proceed as planned.

As evidenced in the trend of the last five years, the Corporation's capital spending profile continued to be dominated by the substantial infrastructure investment required for environmental and transportation services, which, together, account for $314 million or 71% of total capital spending. Transit capital expenditures of $141 million were primarily associated with the "Let's Move" initiatives - the $5 billion infrastructure investment program of the Province of Ontario in the transportation system of the metropolitan region. Significant expenditures were also incurred within the Transportation department on the roads system for maintenance of existing surfaces and structures, road and freeway widenings and road extensions, amounting in total to $58 million. Expenditures on environmental services, amounting to $115 million, were with respect to the completion of the Solid Waste Master Plan, the continued development of the Keele Valley Landfill Site, various recycling and

waste diversion projects, water main extensions and the upgrade of water pollution treatment plant facilities.

Other major capital expenditures were for the completion of Metro Hall, the new headquarters of the Metropolitan Corporation to be opened in 1992 ($64 million) and increased capital facilities to service the operations of the Metropolitan Toronto Police Force ($18 million).

Total capital financing in 1991, at $440 million, equalled the level of the year's capital spending and an amount of $46 million remained not permanently financed at year end. An improvement in financial market conditions during the year led to the issuance of debentures of $124 million which represented the major source of 1991 capital financing. Financing from all internal sources as a percentage of total capital financing declined from 52% in 1990 to 37% in 1991, while provincial capital grants as a percentage of total capital expenditures slightly increased from 31% in 1990 to 32% in 1991.

RESERVES AND RESERVE FUNDS

The total amount of Reserves and Reserve Funds at the end of 1991 was $360 million, a decline of $35 million from 1990. The reserves and reserve funds of the Metropolitan Corporation have designated purposes, and are created through the specific authorizations of the Metropolitan Council for either its own purposes or as prescribed by provincial legislation. The following chart indicates a component breakdown of the reserves and reserve funds of the municipality as at the end of 1991.

Reserves and Reserve Funds 1991

	%
Environmental Purposes	47
Other	13
Employee Benefits	11
Capital Financing Stabilization	9
Insurance	8
Transit	8
Contingencies	4
	100

In recent years, the Metropolitan Corporation has made increasing use of reserves and reserve funds to finance capital improvement projects. This is illustrated by the fact that in 1991 no less than 43.3% of total reserve and reserve fund appropriations was applied for this purpose. More specifically, however, the use of program reserves and reserve funds has been particularly intensified in the environmental service operations of the Corporation and are now used to fund both the operating and capital expenditures of the solid waste management and water pollution control functions.

With regard to solid waste management, that portion of the tipping fee charged to industrial and commercial users in excess of the actual cost of disposal is credited to a Waste Management Reserve. Withdrawals from this reserve are used to fund a portion of program related capital projects and any excess of solid waste management operating costs over revenues. As indicated earlier, the sum of $55.1 million was used from the Waste Management Reserve during 1991 to help offset the extraordinary impact of the increase in the general assistance caseload on the operating fund. As a consequence, the balance of this reserve declined from $200 million at December 31, 1990 to $155 million at the end of 1991. At this point, the future level of revenue from solid waste management tipping fees is somewhat uncertain, given the possibility of direct provincial involvement in this area.

The current level of the sewer surcharge on water sales to the area municipalities generates program revenue in excess of the requirement to fund current operations and such excess is transferred to a Water Pollution Control Measures Reserve Fund. This reserve fund, in turn, is used to fund a significant portion of program-related capital projects. The balance of this reserve fund of $23 million at January 1, 1991, augmented by a transfer of $9 million from the operating fund and interest earnings, was almost totally utilized during the year to finance water pollution control capital projects.

A Transit Improvement Reserve Fund was established in 1991 utilizing the net proceeds of the sale of specific assets of Gray Coach Lines Ltd. (a subsidiary of the Toronto Transit Commission). This fund is intended to be utilized for service-enhancement projects to be undertaken by the Commission which are not presently eligible for funding under existing cost-sharing arrangements. The initial transfer to this reserve fund was $36.9 million although $8.3 million was utilized during the year as a one-time measure to offset the extraordinary level of transit operating costs associated with recession-related declining revenue. The balance of this reserve fund was $28.6 million at the end of 1991.

Other highlights of reserve and reserve fund activity during the year were the transfer of $22.2 million to the Capital Financing Stabilization Reserve, the utilization of $18 million from a Contingency reserve, and, given its advanced state of completion, the total utilization of the Reserve Fund for the Construction of Metro Hall, the new headquarters of the Metropolitan Corporation.

LONG RANGE CAPITAL AND FINANCIAL PLANNING

Ten-Year Financial Forecast

Every three years, to coincide with the inaugural year of each term of the Metropolitan Council, a ten-year forecast of operating and capital expenditures and revenues is compiled. Metropolitan Council uses this forecast to consider the long-term potential resource requirements as submitted by departments, agencies, boards and commissions. It also provides the Council with an indication of potential future funding scenarios and allows for development of strategies to deal with those scenarios. Previous Councils have used the information derived from the forecasts to initiate development of alternative sources of revenue and to set debt management policy guidelines.

Debt Management Policy Guidelines

The following three debt management criteria adopted by the Metropolitan Council have been in place for a number of years:

- debt charges should not exceed 15 per cent. of the levy;
- the percentage of net capital expenditure to be raised annually in the levy should be no more than 50 per cent. of the financing required; and
- the mill rate should increase each year by no more than the estimated inflation rate within the economy as measured by the Consumer Price Index, in the absence of significant expansion of existing programs or the introduction of new programs.

Through adherence to these criteria, the Municipality has succeeded in managing a substantial capital expenditure program while at the same time maintaining a responsible debt load and credit rating of the highest quality. These criteria have been managed in part through the establishment of net capital expenditure targets, and in part through the application of a "pay-as-you-go" financing policy in which a prescribed amount of funding is contributed directly from the operating budget to reduce capital borrowing in each year.

This "pay-as-you-go" capital financing policy is designed to ensure a balanced financing mix between internally generated revenues and debenture financing for the Municipality's capital expenditures and other long term capital improvements. The contribution of the revenue fund towards capital expenditures is stabilized at a level generally of 50 per cent. of the actual net capital financing requirements for each year. The current policy of the Metropolitan Council is to allocate within annual operating budgets an amount equivalent to a levy of six mills to partially finance capital expenditures. To the extent that this annual provision to finance capital expenditures out of current funds exceeds this limit, the excess is transferred to a Capital Financing Stabilization Reserve; conversely, if such annual provision amounts to less than the 50 per cent. guideline, the shortfall is met by a draw upon the reserve.

In accordance with this policy, net capital expenditures in 1991 for general municipal purposes, to be financed up to 50 per cent. by the current levy, amounted to $37.3 million. The 1991 current levy provided the sum of $59.5 million and accordingly an amount of $22.2 million was available to be transferred to the stabilization reserve.

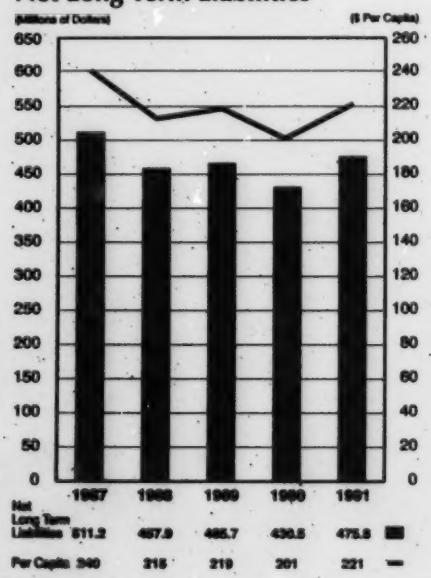
In addition to ensuring adherence to the debt management criteria described above, Metropolitan Council annually monitors the direct and indirect effects of all capital expenditures on future operating budgets. This fiscal impact analysis considers the implications of staffing, material, service and other costs associated with all proposed capital outlays.

DEBT ADMINISTRATION

With an improvement in financial market conditions, debentures amounting to $124 million were issued in 1991. Consequently the Corporation's net long term debt at the end of 1991 increased $45.3 million, or $21 per capita, from the end of 1990 and now stands at $476 million. Over the last five years the net long term debt of the Metropolitan Corporation has declined by $35 million although capital spending for the same period amounted to $2.05 billion. The Municipality's reserves and reserve funds increased by $172 million over this same period. The combination of reduced debt and increased reserves and reserve funds translated into a reserve/debt ratio of 0.76 at the end of 1991, an improvement from the ratio of 0.31 at the end of 1986.

The chart below depicts the amount of the net long term liabilities of the Municipality over the last five years, both in absolute dollars and in per capita terms.

Net Long Term Liabilities



Metropolitan Council's capital financing policy involving a "pay-as-you-go" annual provision of 50 per cent. of capital borrowing requirements, as previously described, is an integral component of its debt management strategy and one of the most significant factors in the stabilization of the Corporation's long term debt. Additionally, it has allowed debt service charges for the general municipal purposes of the Corporation, as a percentage of the annual general tax levy on metropolitan taxpayers, to decline from 14% in 1986 to 11% in 1991.

OTHER SIGNIFICANT ACTIVITIES

Future Financing of Infrastructure Capital Expenditure

During the year, Metropolitan Council adopted a report entitled "Financing of Metropolitan Toronto Capital Infrastructure" and established a steering committee to develop frameworks for financing the proposed Sheppard Subway and other unspecified transit projects and capital infrastructure. The report was in response to the recognition that future capital requirements could not be met within available capital financing sources and that new financing mechanisms need to be explored if the Municipality is to maintain and upgrade its infrastructure. Consultants were subsequently retained to develop and test a package of financing instruments for the Sheppard subway and to identify a financing strategy on which basis the Metropolitan Corporation could build a consensus with the Province of Ontario.

The consultant's report, submitted in September 1991, recommended the adoption of a system of "value charges" to be applied to major beneficiaries of the subway through the taxation of increases in real estate value related to subway construction. Although the charges were analyzed as a means of financing the Sheppard subway, they are intended to be of more general applicability but will require Provincial legislation before they can be effected.

PROSPECTS FOR THE FUTURE

There are signs emerging which point to a modest but sustainable recovery beginning in late 1992 and accelerating in the following years. Many international economic forecasters project that Canada's recovery will be among the most robust of the G-7 countries. Aggressive interest rate easing, a lower Canadian dollar, and signs of growth in the U.S. economy are setting the stage for an export-led recovery in Canada. The difficult industrial restructuring which has been taking place in Ontario may set the stage for very substantial productivity gains as the recovery takes hold.

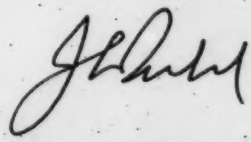
The urgent fiscal priority for Metropolitan Toronto, however, is to achieve tangible progress towards the disentanglement of the existing municipal-provincial financing arrangements in a manner that allows the program accountability of the Metropolitan Corporation to more closely correspond with its potential revenue sources. In this regard, Metropolitan Council has received recommendations from its Task Force on the Reform of Municipal Financing with regard to a general redistribution of program responsibilities between the Province of Ontario and the Municipality of Metropolitan Toronto, and new or alternative methods of financing municipal services. It is to be hoped that, as a consequence, Metropolitan Council will achieve financial reform that results in a better balance between the amount of spending discretion in program areas and the burden extended on the property tax.

In the meantime, Metropolitan Council believes it has the responsibility to continue to use its fiscal capacity to take a pro-active, anti-recessionary role. Accordingly, future capital spending priorities are heavily oriented towards the Corporation's Strategic Plan primary goals of developing and maintaining a vital economy and an environmentally sustainable urban development. Future capital investment will be geared towards the provision of infrastructure to directly support economic vitality; the maintenance of high environmental standards; the promotion of a concentrated urban form; a reduction in water consumption, energy, and non-renewable resources; and the provision of enjoyment of natural habitats, parks and other recreational facilities.

CONCLUSION

In its recent confirmation of the Municipality's Triple "A" credit rating - the highest possible credit rating on the international bond market - Moody's Investors Services noted that: "Metro's ample financial resources, as reflected in the large accumulation of reserves, as well as the recent actions to augment revenues, give the region the flexibility to offset the revenue effects of economic cycles as well as potential changes in provincial support. Debt levels are modest and the increase in borrowing activity this year and as well as in future years can easily be accommodated."

Given the uncertainty and volatility of the present economic climate, the movement towards fiscal retrenchment on the part of our senior levels of government and the ever-increasing demands for municipal services placed upon the Metropolitan Corporation, the Metropolitan Council and staff of the Corporation will continue to exercise prudent, measured and disciplined financial management and control. All remain committed to ensure that the inevitable challenges and opportunities of the future will be met within a sound and stable financial structure.



John L. Pickard, B.Com., F.C.A.
Commissioner of Finance and Treasurer

A QUICK LOOK AROUND METRO IN 1991

AMBULANCE SERVICES: MAKING A DIFFERENCE MORE THAN 1,000 TIMES A DAY

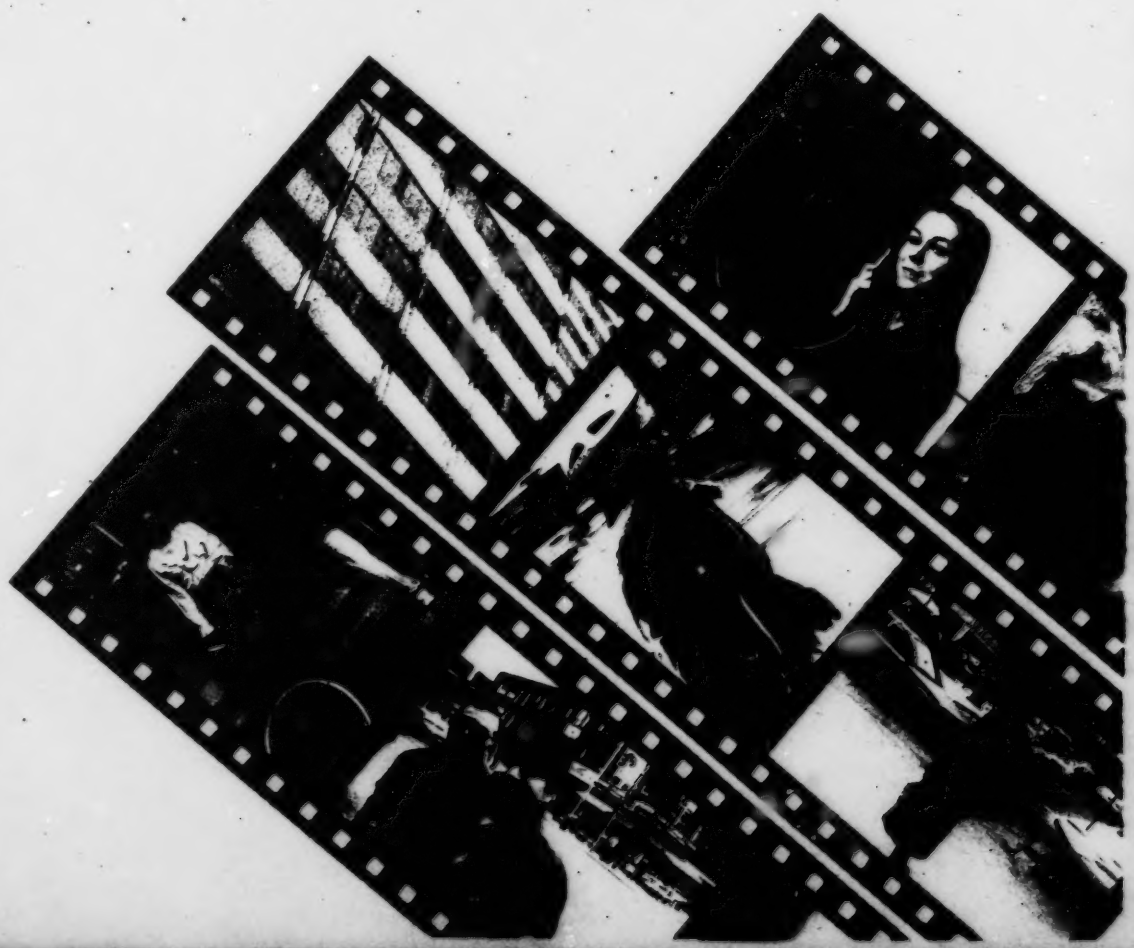
With its forty stations, Metro's Ambulance Services Department provides both emergency and non-emergency medical care and transportation to hospital facilities more than 1,000 times a day.

In 1991, the Department embarked on a five-year program to expand its paramedical capabilities and its goal is to ensure that, by 1995, critical, pre-hospital care can be provided to any patient who requires it.

A new emergency call classification system was created last year which evaluates each request for service based on life threat and severity. And, dispatchers are now assisted in identifying a patient's most serious problem by a new call sorting procedure thus allowing for clear, concise instructions to be given to callers. The vital voice linkage between dispatcher and caller until help can arrive is now more effective than ever.

A segment of the department's Basic Life Support staff has now been trained to provide cardiac defibrillation, and its goal of providing both the quickest and best response in both emergency and non-emergency situations is being constantly pursued.

Reducing non-emergency patient waiting times and assisting hospitals in providing rapid turnaround of beds and other clinical facilities, together with efforts to optimize multi-stretcher ambulance bus routes, represent two additional initiatives recently undertaken by Metro's Ambulance Services Department.



SIGNIFICANT IMPROVEMENTS ACHIEVED IN METRO CHILD CARE

While 1991 was a difficult year for Metro's Community Services Department, its Children's Services Division made significant strides in its provision of quality care to children in need - care which will enrich a child's early learning experiences, provide family support and respond to local community needs.

Not only was the child care subsidy system expanded by 2,350 spaces, but Metro Community Services designed, developed and put in place a new "Student Child Care Support Initiative" which provides subsidized care for as many as 200 teen mothers and adults who choose to return to school.

The Division completed a "Comprehensive Review of Child Care Services" in Metro, established a subsidy growth strategy for the 1990's and finished its decade-long evaluation of integrating children who are both developmentally - and physically - handicapped, into regular day care.

As part of a strategy to resolve the ongoing provincial shortfall in child care subsidies, the Division has participated in an intensive review of the real costs of subsidized day care in Metro. In an overall context, the Division is proceeding with its service-based re-organization plans.

Community Services encompasses four other major operating divisions:

- Homes for the Aged, providing care for some 3,100 residents;
- Hostel Services, which opened one new shelter in 1991 for youth and two for assaulted women and children;
- Housing, with 19,620 units for families, seniors and singles; and
- Social Services, whose total average caseload increased by almost 50 per cent. last year, compared with 1990.

Metro's Social Development Strategy Task Force, established in 1989, continued its work and published an interim report - "Strengthening Our Communities" - as a major step towards its overall goal of developing Metro's first, comprehensive social plan.

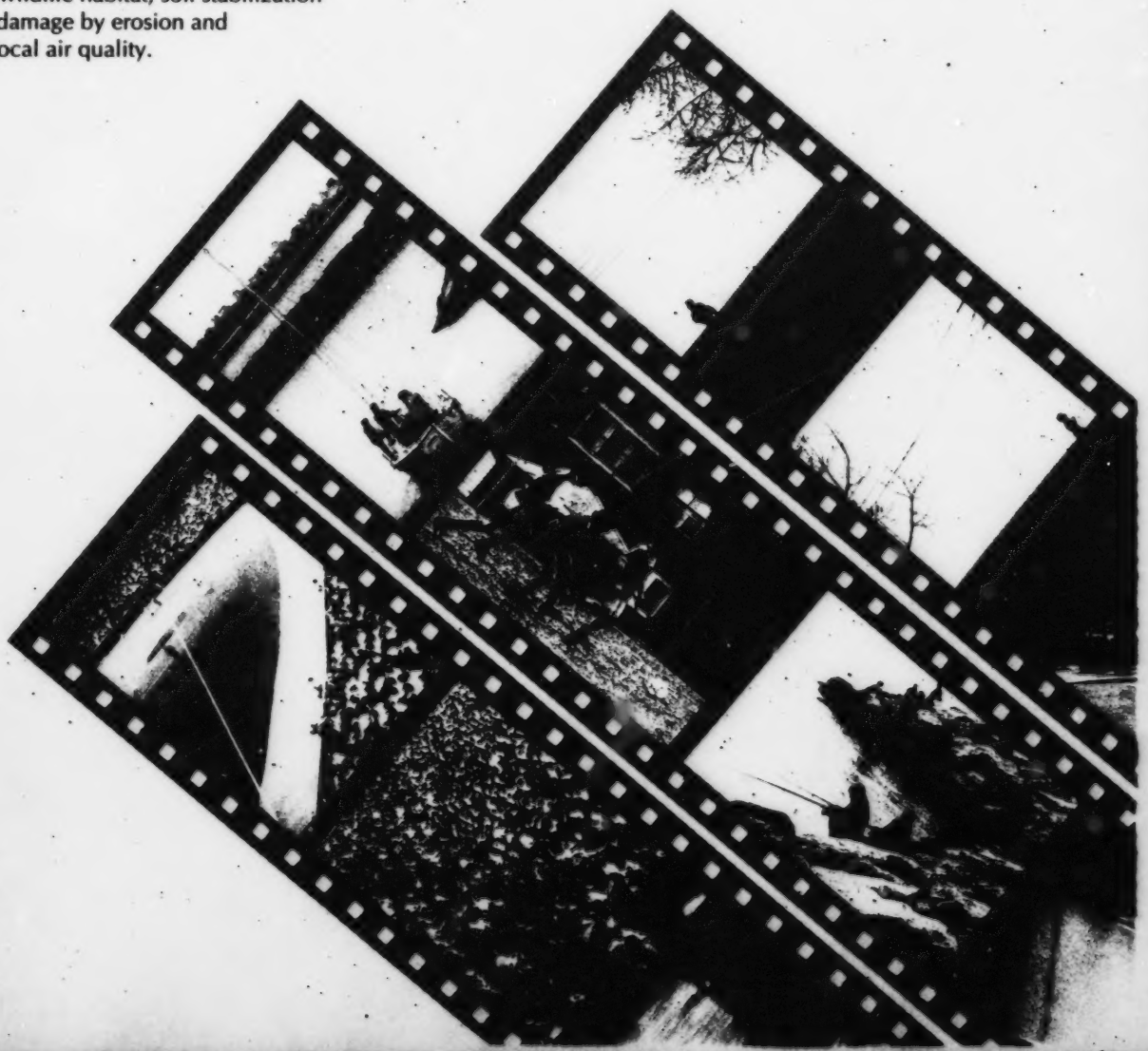
MORE PARKLAND AND RECREATIONAL FACILITIES

Providing recreational space, and facilities for Metro's 2.1 million people spans the four seasons for Metro's Parks and Property Department, and 1991 saw the official opening of Metro's newest garden park - Rosetta McClain Gardens, in Scarborough. Metro's total waterfront and valley parkland system now encompasses more than 4,650 hectares.

More than six kilometres of new trail development took place last year, bringing the park system's total to 75 kilometres, while five separate landscape restoration pilot projects (using wildflowers) were conducted. Twelve thousand new trees and shrubs were planted, all contributing towards landscape regeneration, a more diversified wildlife habitat, soil stabilization to prevent damage by erosion and improved local air quality.

Metro's public recreational facilities include a variety of sports and fitness venues for golf, tennis, softball, riding, boating and cross country skiing.

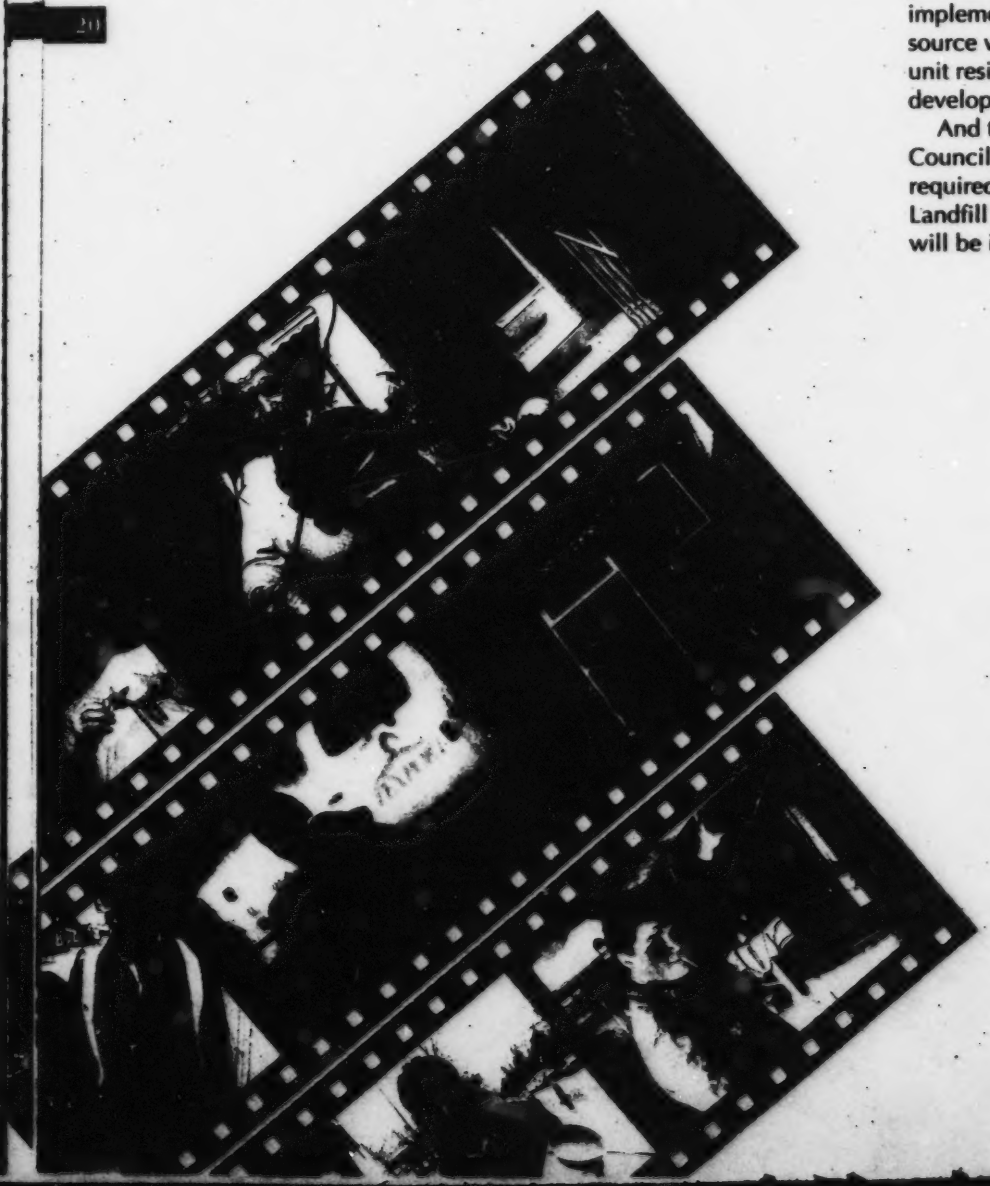
The department also provides comprehensive real estate management services to all Metro government departments, boards and commissions.



METRO WORKS WELL

Dealing with solid waste management and water pollution control are two major activities of Metro's Works Department, and improving "Blue Box" and other waste reduction, reuse and recycling initiatives is equally high on the list of Works' priorities.

Increasing both public participation in resolving waste management issues, and public education about those issues continue as important objectives, as Metro seeks to encourage people to waste less and conserve more.



Latest data show that Metro is processing less solid waste as we move through the early part of this decade. In 1991, 2.1 million metric tonnes were disposed of at landfill sites - down from 3.1 million metric tonnes in 1990, and 3.2 million metric tonnes in 1989.

"SWEAP" - Metro's Solid Waste Environmental Assessment Plan strategy - calls for a massive diversion of solid waste from traditional landfill site disposal. A wide range of waste reduction programs, including expanding backyard composting, banning waste materials collected from the private sector which could be recycled and implementing new requirements for at-source waste reduction for all new multi-unit residential and commercial developments are in effect across Metro.

And to serve Metro's ongoing needs, Council initiated the process and approvals required to expand the Keele Valley Landfill site, and it's expected that this site will be in use until 1999.

POLICE SERVICES - SAFETY AND SECURITY FOR METRO'S CITIZENS

Community policing went into effect across all Police Divisions in 1991 and the Force's vision and strategic plan for the future, "Beyond 2000" was presented for public review and discussion.

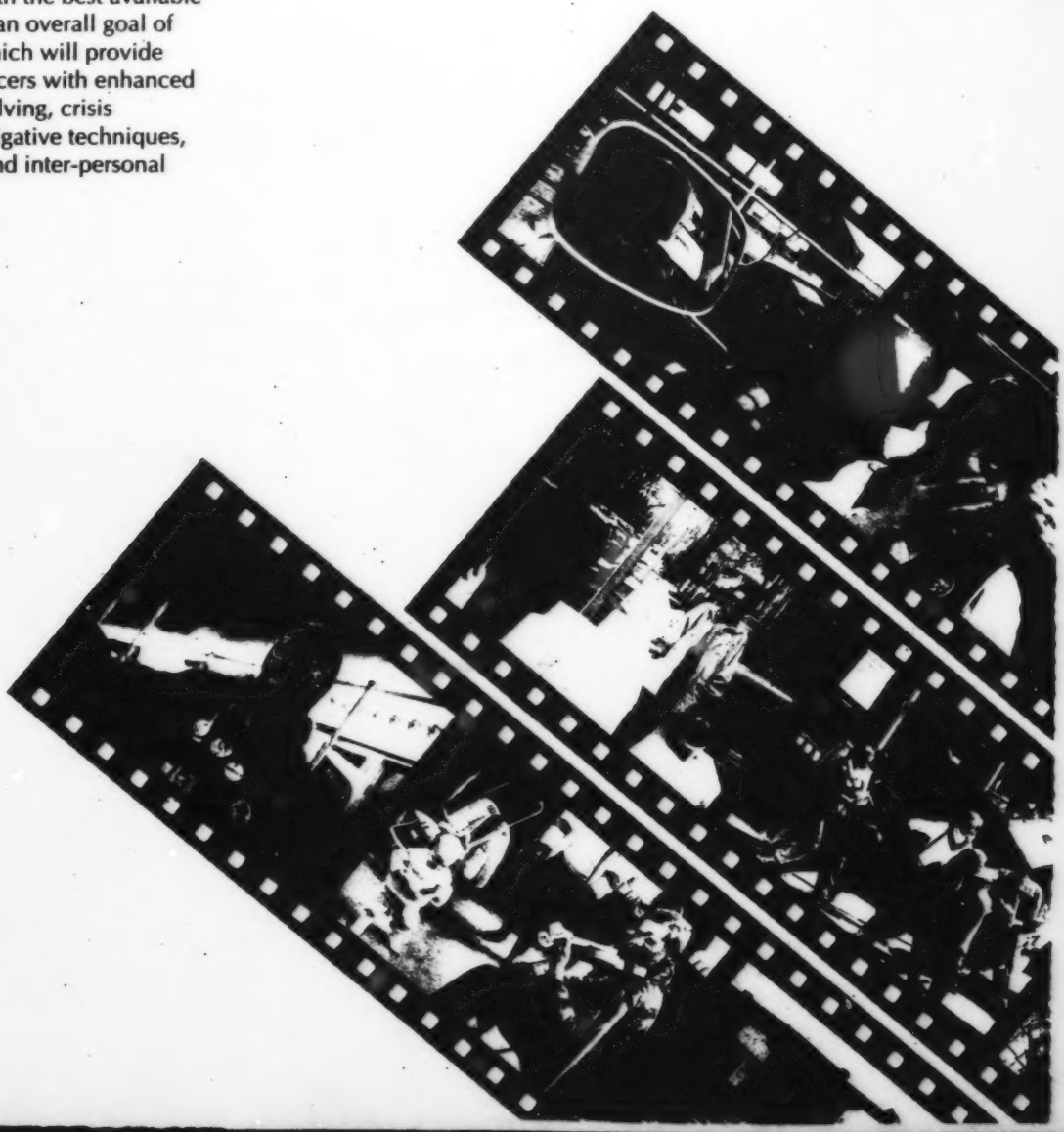
The doors are opening between Metro's police and its people.

Defining the most effective elements in the provision of police services, "Beyond 2000" fully commits the Force to the community policing process, and carries it one step further - embracing neighbourhood policing in a broad effort to prevent crime, and preserve public safety and order.

Matching Metro's diverse neighbourhoods with the best available police resources is an overall goal of "Beyond 2000", which will provide neighbourhood officers with enhanced skills in problem solving, crisis intervention, investigative techniques, crime prevention and inter-personal communications.

The community will become much more involved in determining police priorities as the "street level", uniformed officer takes on the primary responsibility for delivering police services to Metro's individual neighbourhoods.

The implications for police organization, facilities, technology, human resources and management structures and methods are far-reaching, to say the least. The task at hand is an extraordinary one, and so is the responsibility.



THERE'S A ZOO OUT THERE!!

Metro Toronto's Zoo celebrated its fifteenth birthday last year, and its annual attendance in recent years has averaged over 1.3 million - almost sixty per cent. from communities and countries outside Metro.

New exhibits opened during 1991 included the warthog, Marco Polo, hyena, Massasauga rattlesnake and butterfly exhibits, and a new branch, Project Management, was established to improve the Zoo's project planning, design and construction processes.

Volunteers contributed more than 13,000 person hours to Zoo operations in 1991, and, during the year, new education facilities for the disabled and expanded programs for school groups were introduced.

The Zoo's 25-year Capital Master Plan was approved in 1991, with its three major points of emphasis: meeting the needs of disabled persons, creating greater amenities for children and families with children and coping with the challenge of rising annual maintenance costs.

NEW RELIABILITY AND SAFETY STANDARDS HERALD T.T.C. SERVICE IMPROVEMENTS

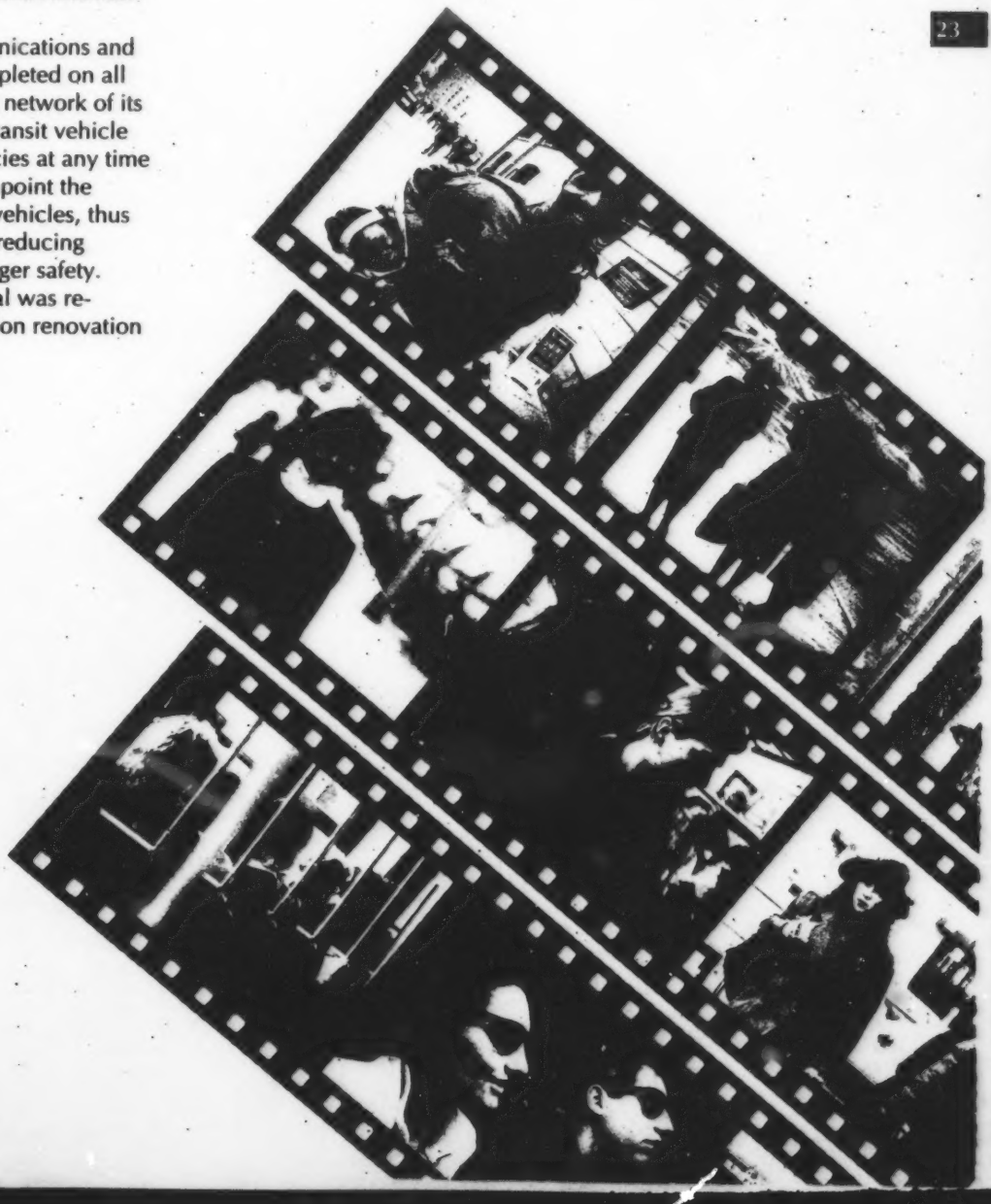
1991 saw significant improvements in subway reliability - on-time performance increased by 23 per cent., while delays fell by 27 per cent., compared with 1990. On a system-wide basis, T.T.C. vehicles carried more people per capita than any other transit system in Canada or the U.S.

Passenger safety was the focus of several new initiatives, including the introduction of the "Request Stop" and "Designated Waiting Area" programs. New measures to combat transit crime were put in place, and the Commission was again recognized for its passenger safety records, winning awards from both Canadian and American transit organizations.

Installation of the Communications and Information System was completed on all surface vehicles. The largest network of its kind in the world, it allows transit vehicle operators to call in emergencies at any time - day or night - and helps pinpoint the exact location of all surface vehicles, thus playing an important role in reducing delays and improving passenger safety.

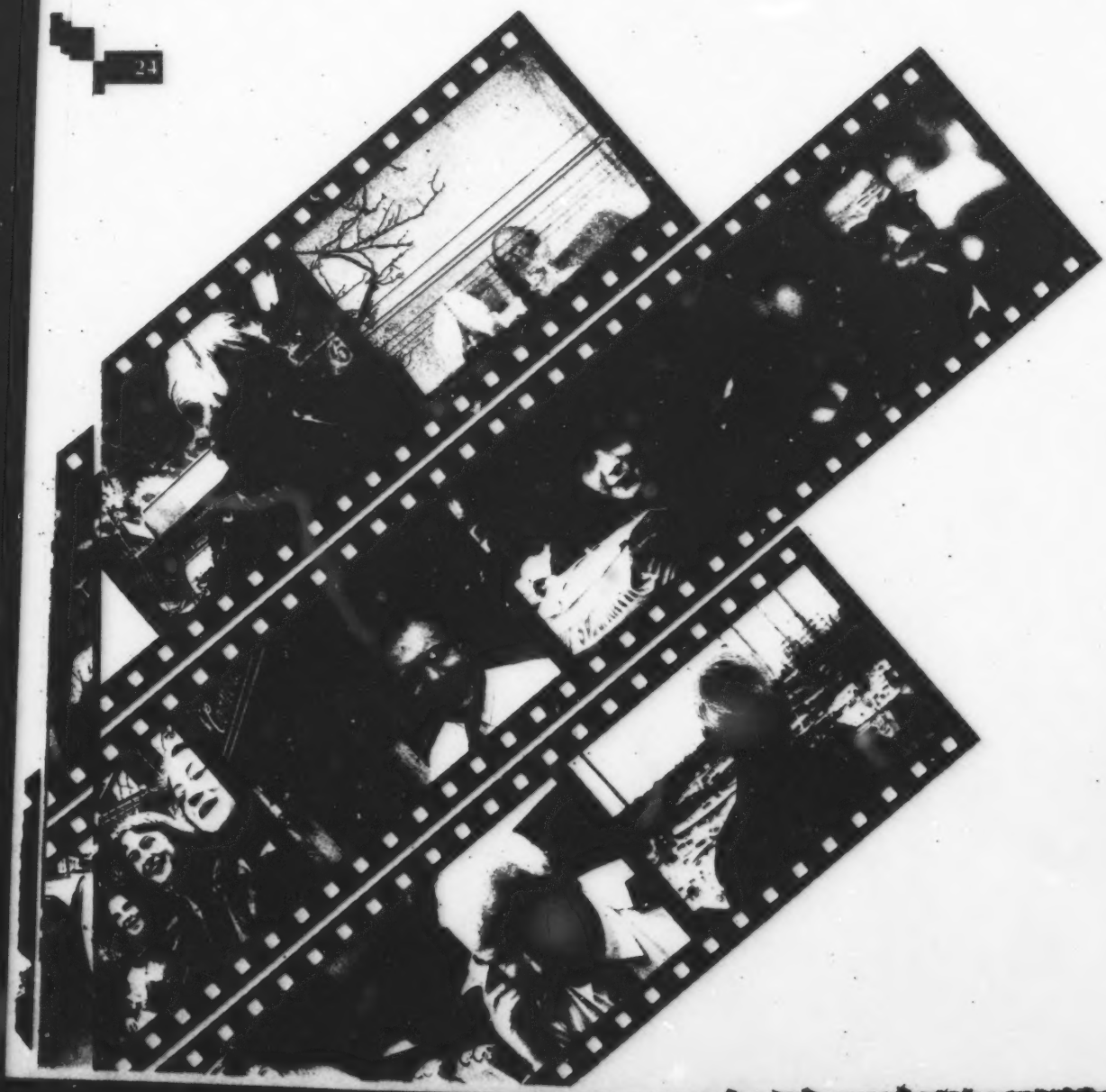
The Bay Street bus terminal was re-opened following a $15 million renovation program, which included a completely-redesigned interior, new connections to the Yonge Street subway, more seating, restaurant and retail facilities.

Ridership on the Commission's Wheel-Trans operations, Metro's transit service for people with disabilities, reached the one million plus level for the first time in Wheel-Trans' 16-year history, and the Commission introduced a monthly Metropass for elementary, intermediate and secondary school students.



NEW INVESTMENT COMES TO METRO

Metro further pursued its aggressive economic development strategy in concert with business, labour and the professions which resulted in several hundred million dollars of new investment in the region last year, over $200 million in the pharmaceutical industry alone. Staff of the Economic Development Division of the Metro Toronto Chairman's Office have helped protect jobs, enhance research and development projects and gain new product mandates. Currently, the focus is on the field of environmental technology, as Metro seeks to assist in the creation of a world-scale environmental technology and pollution abatement industry in Metropolitan Toronto.



AUDITOR'S REPORT

April 30, 1992

The Chairman and Members of
Metropolitan Council of
The Municipality of Metropolitan Toronto

I have audited the consolidated balance sheet of The Municipality of Metropolitan Toronto as at December 31, 1991 and the consolidated statement of operations for the year then ended. These financial statements are the responsibility of the Municipality's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 1991 and the results of its operations for the year then ended in accordance with generally accepted accounting principles for Ontario municipalities.

Allan G. Andrews, C.A.
Metropolitan Auditor
Toronto, Ontario

Municipality of Metropolitan Toronto

Consolidated Balance Sheet

December 31, 1991

Dollars in thousands

Assets	1991	1990
Unrestricted		
Cash	$ 29,835	$ 37,148
Investments (note 3)	165,460	171,822
Accounts receivable (note 4)	286,358	361,126
Other current assets	105,143	81,102
Long term receivables	2,747	4,517
	589,543	655,715
Restricted (note 11)		
Cash	157	1,376
Investments (note 3)	111,759	128,032
Accounts receivable	3,262	2,601
Other current assets	519	382
	115,697	132,391
Capital outlay financed by long term liabilities and to be recovered in future years	475,813	430,464
	$ 1,181,053	$ 1,218,570

See accompanying notes

Dollars in thousands

Liabilities and Fund Balances	1991	1990
Current liabilities		
Accounts payable and accrued liabilities	$ 347,544	$ 354,686
Other current liabilities (note 4)	40,279	46,696
	387,823	401,382
Net long term liabilities (note 7)	475,813	430,464
Other long term liabilities	46,900	40,200
Fund balances at end of year		
To be used to offset taxation or user charges (note 10)	33,185	11,741
Transit operations (notes 9, 10)	(76,322)	(14,000)
Capital operations not yet permanently financed (note 10)	(46,103)	(45,890)
Reserves (note 11)	245,151	278,879
Reserve funds (note 11)	114,606	115,794
	$ 1,181,053	$ 1,218,570

Municipality of Metropolitan Toronto

Consolidated Statement of Operations
Year Ended December 31, 1991

Dollars in thousands

Sources of Financing	1991	1990
Taxation and user charges		
Requisition on local municipalities	**$ 2,972,930**	$ 2,775,322
Less school board requisition	**(1,939,138)**	(1,821,752)
User charges	**885,760**	972,608
Grants		
Government of Canada	**3,037**	4,543
Province of Ontario	**1,370,709**	1,012,603
Other		
Investment income	**56,585**	78,372
Sale of land and other fixed assets	**1,496**	31,141
Fines	**45,000**	43,436
Miscellaneous	**48,409**	51,783
Proceeds from the issue of long term liabilities	**122,667**	35,024
Net appropriations from reserves and reserve funds	**34,916**	–
Municipal fund balances at beginning of year (note 10)		
To be used to offset taxation or user charges	**11,741**	54,940
Transit operations (note 9)	**(14,000)**	(32,120)
Capital operations not yet permanently financed	**(45,890)**	(7,917)
Total financing available during the year	**$ 3,554,222**	$ 3,197,983

See accompanying notes

Dollars in thousands

Applied to	1991	1990
Current operations (note 8)		
General government	**$ 139,879**	$ 126,979
Protection to persons and property	**543,653**	501,802
Transportation services	**781,206**	812,749
Environmental services	**278,943**	248,454
Health services	**65,461**	64,279
Social and family services	**1,235,386**	843,898
Recreation and cultural services	**139,674**	133,244
Planning and development	**20,223**	16,785
	3,204,425	2,748,190
Capital operations		
General government	**70,795**	52,180
Protection to persons and property	**19,396**	25,315
Transportation services	**198,187**	193,503
Environmental services	**114,910**	151,679
Health services	**6,127**	5,697
Social and family services	**13,469**	9,088
Recreation and cultural services	**15,099**	19,495
Planning and development	**1,059**	234
	439,037	457,191
Net appropriations to reserves and reserve funds	**—**	40,751
Municipal fund balances at end of year (note 10)		
To be used to offset taxation or user charges	**33,185**	11,741
Transit operations (note 9)	**(76,322)**	(14,000)
Capital operations not yet permanently financed	**(46,103)**	(45,890)
Total applications during the year	**$ 3,554,222**	$ 3,197,983

Municipality of Metropolitan Toronto

Analysis of Current Operations

Year Ended December 31, 1991

Dollars in thousands

	1991	1990
(Deficit) Surplus at beginning of year	**$ (2,259)**	**$ 22,820**
Revenue		
Taxation and user charges		
Requisition on local municipalities	2,972,930	2,775,322
Less school board requisition	(1,939,138)	(1,821,752)
User charges	885,760	967,738
Grants		
Government of Canada	2,947	3,091
Province of Ontario	1,228,394	881,717
Other		
Investment income	45,285	62,856
Sale of land and other fixed assets	460	28,251
Fines	45,000	43,436
Contributions from reserves and reserve funds	89,082	98,300
Miscellaneous	37,859	25,227
	3,368,579	3,064,186
Expenditure		
General government	171,281	197,575
Protection to persons and property	565,198	523,889
Transportation services	869,145	873,692
Environmental services	309,244	401,511
Health services	72,830	70,850
Social and family services	1,248,831	853,661
Recreation and cultural services	151,906	151,030
Planning and development	21,022	17,057
	3,409,457	3,089,265
Deficit at end of year (notes 9, 10)	**$ (43,137)**	**$ (2,259)**

Municipality of Metropolitan Toronto

Analysis of Capital Operations

Year Ended December 31, 1991

Dollars in thousands

	1991	1990
Capital operations not yet permanently financed at beginning of year	**$ (45,890)**	$ (7,917)
Financing		
Contributions from current operations	**94,271**	119,439
Contributions from reserves and reserve funds	**67,895**	98,101
Long term liabilities incurred	**124,013**	35,554
Ontario grants	**142,315**	130,886
Other	**11,676**	35,768
	440,170	419,748
Expenditure		
General government	**70,861**	52,237
Protection to persons and property	**19,542**	25,367
Transportation services	**198,681**	193,503
Environmental services	**115,342**	152,097
Health services	**6,152**	5,697
Social and family services	**13,501**	9,088
Recreation and cultural services	**15,243**	19,495
Planning and development	**1,061**	237
	440,383	457,721
Capital operations not yet permanently financed at end of year	**$ (46,103)**	$ (45,890)

Municipality of Metropolitan Toronto

Analysis of Reserves and Reserve Funds

Year Ended December 31, 1991

Dollars in thousands

	1991	1990
Balance at beginning of year	**$ 394,673**	**$ 353,922**
Revenue		
Contributions from current operations	**110,761**	221,636
Interest earned	**11,300**	15,516
	122,061	237,152
Expenditure		
Transfers to current operations	**89,082**	98,300
Transfers to capital operations	**67,895**	98,101
	156,977	196,401
Balance at end of year	**$ 359,757**	**$ 394,673**

Notes to Consolidated Financial Statements

Year Ended December 31, 1991

1. Accounting Policies

The consolidated financial statements of the Municipality of Metropolitan Toronto are the representations of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs.

(a) Basis of Consolidation

(i) Consolidated entities

These consolidated financial statements reflect the assets, liabilities, sources of financing and expenditures of the revenue fund, capital fund, reserves and reserve funds of the Municipality and include the activities of all committees of Council and the following boards and municipal enterprises which are under the control of Council:

Metropolitan Toronto Police Services Board
Metropolitan Licensing Commission
Metropolitan Toronto Waterworks System
Metropolitan Toronto Library Board
Toronto Transit Commission
Metropolitan Toronto Coach Terminal Inc.
Board of Governors of Exhibition Place
Board of Management of the O'Keefe Centre
Board of Management of the Metropolitan Toronto Zoo
Board of Management of the Guild

All interfund assets and liabilities and sources of financing and expenditures have been eliminated with the exception of loans or advances between reserve funds and any other fund of the municipality and the resulting interest income and expenditures.

(ii) Non-consolidated entities

The following entities are not consolidated:

Metropolitan Toronto Housing Company Limited
Metropolitan Toronto Housing Development Corporation
Metropolitan Toronto School Board

(iii)Accounting for school board transactions

The Consolidated Statement of Operations reflects the Metropolitan Toronto Education Levy requisitioned upon the Metropolitan Toronto area municipalities and the subsequent transfer thereof to the Metropolitan Toronto School Board.

(iv) Trust funds

Trust funds and their related operations administered by the municipality are not consolidated but are reported separately on the Trust Funds Statement of Continuity and Balance Sheet.

(b) Basis of Accounting

(i) Revenue and expenditure recognition

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Charges for long term liabilities

Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal charges on long term liabilities which are charged against operations in the periods in which they are paid.

(iii)Fixed assets

The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure on the Consolidated Statement of Operations in the year of acquisition.

(iv)Capital outlay financed by long term liabilities and to be recovered in future years

"Capital outlay financed by long term liabilities and to be recovered in future years", as reported on the Consolidated Balance Sheet, represents the sum of:

- the outstanding principal portion of unmatured long term liabilities for municipal expenditures;
- long term obligations arising out of capital leases entered into by the municipality and its local boards;
- capital funds transferred to those local boards and municipal enterprises of the municipality for which it is authorized to incur debt.

(v) Liabilities payable in foreign currencies

Long term debt payable in foreign currencies has been translated into Canadian funds at the exchange rate prevailing at December 31, 1991.

(vi) Restatement to municipal basis of accounting

The Toronto Transit Commission and Metropolitan Toronto Coach Terminal Inc. adopt a commercial basis of accounting in reporting their capital transactions. The financial statements of these entities have been restated to reflect the foregoing municipal basis of accounting prior to their incorporation in these consolidated financial statements (see also note 9).

(vii) Employee related costs

Employee related costs for vested sick leave benefits, workers' compensation obligations and retiree benefits are only partially provided for in these financial statements (see notes 6, 13 and 14 respectively).

2. Trust Funds

Trust funds administered by the Municipality and its local boards amounting to $25,000,000 (1990 - $27,000,000) have not been included in the Consolidated Balance Sheet nor have their operations been included in the Consolidated Statement of Operations.

3. Investments

The unrestricted investments of $165,460,000 (1990- $171,822,000) and restricted investments of $111,759,000 (1990- $128,032,000) are reported on the Consolidated Balance Sheet at cost. The market value of these investments at the end of the year approximates cost.

4. Sinking Funds Surplus Monies

The sinking fund balances reflected in the net long term liabilities at the end of the year do not include specific accumulated contributions and earnings at that date in excess of the total related debt. These excess accumulations amounting to $15,248,000 in 1991 (1990- $20,277,000) are subject to a decision of The Metropolitan Council as to their use for either capital purposes or the reduction of debt charges. Accordingly, while they have been recorded as receivable, corresponding amounts have been set up as deferred revenue and are included on the Consolidated Balance Sheet under "Other Current Liabilities".

5. Pension Agreements

(a) Ontario Municipal Employees Retirement Fund

The Municipality contributes to the Ontario Municipal Employees Retirement Fund (OMERS), a multi-employer plan, on behalf of approximately 16,300 members (55%) of its staff. This plan is a defined benefit plan and specifies the amount of the retirement benefit to be received by the employees based on length of service and final average earnings.

The amount contributed to OMERS for current service in 1991 was $41,319,000 (1990- $36,729,000) and is included as an expenditure on the Consolidated Statement of Operations.

The latest actuarial valuation, conducted at December 31, 1990, indicates that current member and employer contribution rates appear sufficient to fund future benefits.

(b) Toronto Transit Commission Pension Fund Society

Substantially all Commission employees, including those assigned to Metropolitan Toronto Coach Terminal Inc., are members of the Toronto Transit Commission Pension Fund Society.

Pensions provided by the Society are based on length of service and average base year earnings. The base years, which are currently the highest consecutive four years of earnings up to the end of 1991, are updated from time to time, provided that the financial position of the Society so permits.

The contributions by the Commission amounted to $31,400,000 in 1991 (1990 - $29,000,000) and are included as an expenditure on the Consolidated Statement of Operations.

(c) Other Pension Plans

Certain employees of the Municipality of Metropolitan Toronto and its various local boards and municipal enterprises are members in a number of other pension plans. These plans provide pensions based on length of service and final average earnings.

The amount contributed to these plans for current service in 1991 was $5,639,000 (1990- $6,156,000) and is included as an expenditure on the Consolidated Statement of Operations.

Actuarial estimates indicate that, based on projections of employees' compensation levels to the time of retirement, the present value of the unfunded obligations for pension benefits relating to past service was $11,392,000 as at December 31, 1991 (1990- $15,842,000). This balance is being funded and charged to operations as follows:

Dollars in thousands

	1992	1993	1994	Total
To be recovered from:				
General municipal revenue	$ 4,450	$ 3,471	$ 3,471	$11,392

No provision has been made in the accounts for this obligation and the expense is recorded as funded annually. Expenditure for past service of $4,450,000 was made in 1991 (1990 - $4,972,000) and is reported on the Consolidated Statement of Operations.

6. Liability for Vested Sick Leave Benefits

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the employment of the Municipality and the following local boards and municipal enterprises:

Metropolitan Toronto Waterworks System
Metropolitan Toronto Library Board
Board of Governors of Exhibition Place
Board of Management of the Metropolitan Toronto Zoo
Metropolitan Toronto Housing Company Limited

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on terminating, amounted to $126,359,000 (1990-$114,735,000) at the end of the year.

In order to provide for this past service liability the Municipality has established a Corporate Sick Pay Reserve Fund. Contributions to this reserve fund are based on amounts deemed to be sufficient to provide for anticipated payments on the basis of a moving nine-year time frame. During 1991, such contributions by the Municipality and other participants amounted to $6,066,000 (1990 - $5,496,000) and $123,000 (1990 - $115,000) respectively.

Anticipated payments over the next five years to employees of the Municipality and its participating local boards and municipal enterprises who are eligible to retire are as follows:

Dollars in thousands

	1992	1993	1994	1995	1996
Municipality	$ 5,267	$ 5,642	$ 5,982	$ 6,496	$ 6,797
Other participants	118	127	133	145	149

At December 31, 1991, the balance of the Corporate Sick Pay Reserve Fund was $10,453,000 (1990- $9,422,000).

7. Net Long Term Liabilities

(a) The net long term liabilities reported on the Consolidated Balance Sheet are made up of the following:

Dollars in thousands

	1991	1990
Total long term liabilities incurred by the Municipality including those incurred on behalf of school boards, other municipalities and municipal enterprises and outstanding at the end of the year amount to	$ 1,499,967	$ 1,359,307
In addition, the Municipality has assumed responsibility for the payment of principal and interest charges on certain long term liabilities issued by other municipalities. At the end of the year the outstanding principal amount of this liability is	165	256
Capital leases	—	289
Long term interest free loan payable to Province of Ontario	2,681	2,681
Of the long term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by school boards, other municipalities and by the Province of Ontario. At the end of the year, the outstanding principal amount of this liability is	(523,279)	(465,025)
The total value of sinking funds and the balance in the Ministry of the Environment Debt Retirement Fund which have been accumulated to the end of the year to retire the outstanding long term liabilities included above amount to	(503,721)	(467,044)
Net long term liabilities	$ 475,813	$ 430,464

(b) Net long term liabilities - future redemption

Of the net long term liabilities reported in (a) of this note, $226,702,000 in principal payments are payable from 1992 to 1996 and $93,456,000 from 1997 to 2001, summarized as follows:

Dollars in thousands

	1992 to 1996	1997 to 2001	Total
From general municipal revenues	$ 207,444	$ 87,732	$ 295,176
From consolidated municipal enterprises	19,258	5,724	24,982
	$ 226,702	$ 93,456	$ 320,158

The difference between the total of principal redemption indicated above ($320,158,000) and the total of net long term liabilities reported in note 7 (a) ($475,813,000) is related to the following two factors:

(i) Long term liabilities payable in U.S. funds reported in note (a) have been translated into Canadian funds at the exchange rate prevailing at December 31, 1991, whereas the projections of principal redemption above are based on $1 US = $1 Canadian.

(ii) The projections of principal redemption indicated above are based on the premise that actuarial sinking fund deposits (in respect of sinking fund debentures) will earn interest, capitalized yearly thereon, at a rate not exceeding 8% and which will be sufficient to repay such debentures in full at maturity.

(c) Translation of net long term liabilities payable in foreign currencies

Included in net long term liabilities on the Consolidated Balance Sheet and translated into Canadian funds at the rate of exchange prevailing at December 31, 1991 is an amount of US$44,728,000 (1990 - US$63,799,000), the translated value of which amounts to Cdn$51,688,000 (1990 - Cdn$74,026,000).

(d) Ontario Municipal Board

Approval of the Ontario Municipal Board has been obtained for the debenture debt reported in (a) of this note issued in the name of the Municipality.

(e) Long term liabilities incurred on behalf of area municipalities, school boards and the Province of Ontario

The Municipality is contingently liable for long term liabilities for which the responsibility for the payment of principal and interest has been assumed by its area municipalities, school boards and the Province of Ontario. The total amount outstanding as at December 31, 1991 is $523,279,000 (1990- $465,025,000) and is not recorded on the Consolidated Balance Sheet.

8. Charges for Net Long Term Liabilities

Total charges for the year for net long term liabilities which are reported on the Consolidated Statement of Operations are as follows:

Dollars in thousands

	1991	1990
Principal payments including contributions to sinking funds and the Ministry of the Environment Debt Retirement Fund	$ 43,075	$ 43,664
Interest	89,218	83,511
	$ 132,293	$ 127,175

The charges for long term liabilities assumed by the area municipalities, school boards and the Province of Ontario are not reflected in these statements.

9. Effect of Adoption of Municipal Accounting Conventions

As indicated in Note 1(b)(vi), the financial statements of the Toronto Transit Commission and Metropolitan Toronto Coach Terminal Inc., have been restated to reflect a municipal basis of accounting for capital transactions prior to their incorporation in these consolidated financial statements. The effect of this restatement is as follows:

Dollars in thousands

	1991	1990
Equity on a commercial basis	$ 45,861	$ 61,050
Reduction in equity due to restatement	(122,183)	(75,050)
Deficit on a municipal basis	$ (76,322)	$ (14,000)

10. Municipal Fund Balances at the End of the Year

The balances on the Consolidated Statement of Operations of municipal equity (deficit) at the end of the year consist of the following:

Dollars in thousands

	1991	1990
For general reduction of taxation or user charges	$ 33,185	$ 11,741
Transit operations - deficit arising as a result of restatement to municipal basis of accounting	(76,322)	(14,000)
	(43,137)	(2,259)
Acquisition of fixed assets to be recovered through taxation or user charges	—	(515)
Acquisition of fixed assets to be financed from the proceeds of long term liabilities	(125,555)	(136,653)
Acquisition of fixed assets to be recovered from other financing	(6,039)	(4,962)
Funds available for the acquisition of fixed assets	85,491	96,240
	(46,103)	(45,890)
	$ (89,240)	$ (48,149)

Approval of the Ontario Municipal Board has been obtained for the pending issues of long term liabilities.

11. Reserves and Reserve Funds

(a) The total balances of reserves and reserve funds are made up of the following:

Dollars in thousands

	1991	1990
Reserves set aside for specific purposes by Council		
Refuse disposal purposes	$ 157,268	$ 201,840
Capital financing stabilization	33,810	8,952
Contingencies	14,815	32,627
Replacement of equipment	12,265	8,840
Water rates stabilization	10,000	10,000
Sick pay benefits	5,135	5,209
Exchange stabilization	4,987	4,987
Debenture repayment	4,840	4,840
Parks and recreation program facilities	1,999	1,584
Pollution control	32	–
	245,151	278,879
Reserve funds set aside for specific purposes by Council		
Insurance	28,816	28,641
Transit purposes	28,562	–
Employee benefits, other than sick pay	24,807	21,682
Property settlement	11,041	10,607
Sick pay benefits	10,453	9,422
Parks and recreation program facilities	6,424	10,895
Pollution control	908	22,609
Metro Hall	—	10,690
Other	3,417	1,081
	114,428	115,627
Reserve funds set aside for specific purposes by legislation, regulation or agreement		
Lakeview Sewage Treatment Plant Contingency	178	167
	114,606	115,794
	$ 359,757	$ 394,673

(b) The assets and liabilities of the Reserve Funds are as follows:

Dollars in thousands

	1991	1990
Restricted assets per the Balance Sheet	$ 115,697	$ 132,391
Interfund Receivables (eliminated on Consolidated Balance Sheet)	48,366	21,794
	164,063	154,185
Interfund Payables (Eliminated on Consolidated Balance Sheet)	(49,457)	(38,391)
Fund balance	$ 114,606	$ 115,794

12. Public Liability Insurance

The Municipality has established an Insurance Reserve Fund to meet the deductible provisions of insurance policies, to provide for premiums in respect of external insurance coverage and for the financing of losses in excess of external coverage. The metropolitan departments and the various participating local boards, commissions and agencies make annual contributions to the Insurance Reserve Fund on a predetermined basis which takes into account, among other things, the most recent claims experience.

Based upon an actuarial review, provision has been made in the accounts for reported claims, although the fund remains contingently liable for claims incurred but not reported. The balance of the Insurance Reserve Fund is considered adequate for its purpose.

13. Workers' Compensation Obligations

The Municipality, as a Schedule II employer under the Workers' Compensation Act follows a policy of self insurance for all its employees.

Except as provided below, payments made to employees of the Municipality for accidents incurred while employed are expensed when made. The total gross liability on January 1, 1991 for active claims that occurred prior to that date has been actuarially determined to be $197,000,000, such sum including the liability for existing pensions, future awards on existing claims and administration expenses. An amount of $15,000,000 has been provided for in respect of this liability.

14. Retiree Benefits

Metropolitan Council approved additional benefits related to retiree medical and dental coverage effective January 1, 1990. According to the most recent actuarial valuation conducted in December 1990, the estimated present value of such benefits has been determined to be $14,170,000 as at December 31, 1990. No provision has been made in the financial statements for this liability.

15. Budget Figures

Budgets established for capital funds, reserves and reserve funds are compiled on a project-oriented basis, the activity in regard to which may occur over one or more years. As such, they are not directly comparable with current year actual amounts and budgets have therefore not been reflected on the Consolidated Statement of Operations.

FIVE YEAR REVIEW (Unaudited)

(in thousands of dollars unless otherwise stated)

	1991	1990	1989	1988	1987
CURRENT OPERATIONS					
Expenditures by Function					
General government	171,281	197,575	150,425	130,533	96,517
Protection to persons and property	565,198	523,889	475,816	439,767	409,502
Transportation services	869,145	873,692	771,895	739,677	674,345
Environmental services	309,244	401,511	366,202	294,260	228,726
Health services	72,830	70,850	60,283	55,062	49,137
Social and family services	1,248,831	853,661	667,432	567,211	495,316
Recreation and cultural services	151,906	151,030	148,424	142,615	136,966
Planning and development	21,022	17,057	15,073	13,107	12,024
	3,409,457	3,089,265	2,655,550	2,382,232	2,102,533
Expenditures by Object					
Salaries, wages and employee benefits	1,570,445	1,479,799	1,291,457	1,203,742	1,096,017
Debt servicing	197,776	191,467	186,429	181,872	177,449
Purchase of capital assets	28,788	55,147	62,152	55,327	44,670
Operating and general expenditure	670,366	647,504	581,729	557,233	440,605
Transfers to others	942,082	715,348	533,783	384,058	343,792
	3,409,457	3,089,265	2,655,550	2,382,232	2,102,533
Revenues by Source					
Taxation	1,833,792	953,570	882,115	763,301	726,707
Provincial grants	1,228,394	881,717	723,118	648,174	578,623
Federal grants	2,947	3,091	2,176	1,683	1,915
User charges	885,760	967,738	918,442	815,646	718,962
Other	217,686	258,070	145,768	137,482	66,384
	3,368,579	3,064,186	2,671,619	2,366,286	2,092,591
Taxes collected for Metropolitan Toronto School Board	1,939,138	1,821,752	1,633,238	1,379,891	1,299,401
Accumulated Net Revenue at the end of the year					
General municipal purposes	33,185	11,741	54,940	32,982	57,670
Municipal purposes	(76,322)	(14,000)	(32,120)	(26,231)	(34,973)
	(43,137)	(2,259)	22,820	6,751	22,697

(in thousands of dollars unless otherwise stated)

	1991	1990	1989	1988	1987
CAPITAL OPERATIONS					
Expenditures by Function					
General government	**70,861**	52,237	19,236	60,761	1,095
Protection to persons and property	**19,542**	25,367	28,149	31,693	42,148
Transportation services	**198,681**	193,503	198,609	177,366	198,271
Environmental services	**115,342**	152,097	130,716	90,510	49,155
Health services	**6,152**	5,697	6,298	6,414	5,624
Social and family services	**13,501**	9,088	15,241	15,378	15,141
Recreation and cultural services	**15,243**	19,495	25,825	21,390	16,373
Planning and development	**1,061**	237	143	199	39
	440,383	457,721	424,217	403,711	327,846
Financing by Source					
Operating revenue	**94,271**	119,439	122,039	111,052	102,197
Reserves and reserve funds	**67,895**	98,101	107,582	25,308	10,718
Provincial grants	**142,315**	130,886	119,794	118,480	129,080
Long term debt	**124,013**	35,554	78,126	32,400	91,048
Other	**11,676**	35,768	56,784	27,766	30,333
	440,170	419,748	484,325	315,006	363,376
RESERVES AND RESERVE FUNDS	**359,757**	394,673	353,922	287,001	187,567
GROSS LONG TERM DEBT	**1,502,813**	1,362,533	1,373,380	1,274,970	1,390,766
NET LONG TERM DEBT					
Debt supported by property taxes	**442,158**	386,881	423,189	405,040	443,104
Debt of municipal enterprises	**33,655**	43,583	42,524	52,821	68,047
	475,813	430,464	465,713	457,861	511,151
CHARGES FOR NET LONG TERM DEBT					
Debt supported by property taxes	**116,458**	111,940	109,503	106,341	98,695
Debt of municipal enterprises	**15,835**	15,235	17,039	19,806	21,168
	132,293	127,175	126,542	126,147	119,863
Debt charges supported by property taxes as a percentage of total general expenditures	**3.4**	3.6	4.1	4.5	4.7

FIVE YEAR REVIEW (Unaudited)
(continued)

((in thousands of dollars unless otherwise stated)

	1991	1990	1989	1988	1987
TAXABLE ASSESSMENT					
Residential and farm	4,521,470	4,245,140	4,125,461	4,069,523	4,026,592
Commercial, industrial and business	4,718,244	4,720,977	4,627,743	4,499,882	4,350,649
	9,239,714	8,966,117	8,753,204	8,569,405	8,377,241
Commercial, industrial and business as a percentage of total	51.1	52.7	52.9	52.5	51.9
PROPERTY TAX COLLECTIONS (of Area Municipalities)					
Current year's levy	4,137,244	3,848,590	3,481,570	3,026,238	2,909,273
Total collections for year	4,038,111	3,788,281	3,453,375	3,043,534	2,859,705
Total collections as a percentage of current year's levy	97.6	98.4	99.2	100.6	98.3
Taxes outstanding at the end of the year	281,119	189,384	136,355	98,475	108,141
Taxes outstanding as a percentage of current year's levy	6.8	4.9	3.9	3.3	3.7
DEMOGRAPHICS					
Population by age group					
0 - 4	94,883	70,774	86,055	98,639	82,459
5 - 14	247,265	248,892	244,378	240,360	245,419
15 - 19	125,593	125,467	129,286	134,506	140,271
20 - 44	914,295	912,757	907,850	900,618	900,603
45 - 64	458,245	467,485	466,524	469,167	470,578
65+	311,149	311,829	296,762	284,980	286,190
	2,151,430	2,137,204	2,130,855	2,128,270	2,125,520
Number of households	902,403	843,239	840,191	835,660	831,204
NEW CONSTRUCTION					
Building permits issued	1,814,197	2,190,729	4,300,184	3,134,829	2,604,783
Number of housing starts	4,304	6,922	11,358	11,865	11,364
MISCELLANEOUS					
Area in acres	154,584	154,584	154,584	154,584	154,584
Number of full time employees	29,946	28,896	27,797	26,497	25,625
Transit passenger trips per average business day	1,427,000	1,514,000	1,496,000	1,528,000	1,514,000
Police service responses for year	2,417,000	2,405,000	2,466,000	2,247,000	2,230,000
Ambulance service responses for year	402,326	403,865	390,000	398,000	369,000
Average monthly welfare assistance caseload	86,700	50,600	39,100	36,700	36,200
Annual supply of treated water (cubic metres)	543,000,000	514,000,000	532,000,000	536,000,000	540,000,000
Daily average sewage treatment flow (cubic metres)	1,491,000	1,465,000	1,431,000	1,385,000	1,413,000
Annual disposal of solid waste (tonnes)	2,100,000	3,100,000	3,200,000	3,300,000	3,200,000
Annual days of subsidized child care	4,889,000	4,658,000	4,510,000	4,392,000	3,762,000
Kilometres of roads	732	732	732	764	764
PER CAPITA INFORMATION					
Taxable assessment	4,295	4,195	4,108	4,026	3,941
Current Expenditure	1,585	1,445	1,246	1,119	989
Net Long Term Debt	221	201	219	215	240
Charges for Net Long Term Debt	62	60	59	59	56

METROPOLITAN TORONTO GOVERNMENT

METROPOLITAN COUNCIL

METROPOLITAN CHAIRMAN

STANDING COMMITTEES

Works Committee	Transportation Committee	Parks, Recreation and Property Committee	Management Committee	Community Services and Housing Committee	Legislation and Licensing Committee	Economic Development and Planning Committee
DEPARTMENTS			• Chief Administrative Officer's Department			
• Works Department	Transportation Department	• Parks and Property Department	• Audit Department • Clerk's Department • Corporate Services Department • Legal Department • Personnel Department • Treasury Department	• Ambulance Services Department • Community Services Department		• Planning Department • Economic Development Division
	• Toronto Transit Commission	• Metro Toronto Zoo	• Exhibition Place • Metro Toronto Library Board • O'Keefe Centre • Police Services Board		• Licensing Commission	

Metropolitan Toronto Council is the governing and legislative body for the Municipality of Metropolitan Toronto. The Council is responsible for establishing policy directions, monitoring and evaluating the implementation of programs, and authorizing revenue collection and expenditures to fund municipal services.

Metropolitan Toronto Council is composed of thirty four members, with twenty eight each representing a metropolitan ward, and the mayors of the six constituent municipalities. The distribution of members is as follows - City of Toronto: 9; City of North York: 8; City of Scarborough: 7; City of Etobicoke: 5; City of York: 3; and the Borough of East York: 2. Council members, with the exception of the six mayors, are directly elected to Metropolitan Toronto Council. The Metropolitan Chairman is selected from among the directly-elected members of Council although all members of Council vote in the election. Council members serve for a three year term of office with the current term beginning on December 1, 1991 and expiring on November 30, 1994.

The political and administrative decision-making structure of the Metropolitan Toronto Government includes the Metropolitan Toronto Council, the Metropolitan Toronto Chairman, the Standing and Special committees of Metropolitan Toronto Council, the Metropolitan Operating and Support Departments and various Metropolitan Agencies, Boards and Commissions.

The Chairman is both the Head of the Metropolitan Council and the Chief Executive Officer of the Corporation of the Municipality of Metropolitan Toronto. In this capacity he is also Chairman of the Management Committee of Council and, ex officio, a member of all standing and other committees of Council.

Metropolitan Toronto Council discharges its decision making responsibility through a Committee form of government comprising a Management Committee and six other standing committees formed under the following functional responsibilities: Community Services and Housing; Economic Development and Planning; Legislation and Licensing; Transportation; Works; and Parks, Recreation and Property. While Standing Committees are responsible for program and policy direction within their individual functional areas, the Management Committee is responsible for corporate-wide financial, human resource, property, interdepartmental and intergovernmental matters affecting the Metropolitan Corporation and its Agencies, Boards and Commissions.

The administrative structure of the Metropolitan Toronto Government consists of fourteen Departments and seven Agencies, Boards and Commissions.

The Metropolitan Departments can be broadly grouped into two categories: Operating and Support departments. In 1991, the total staff complement of the departments was 9,270 permanent employees.

While Metropolitan Toronto Council is the policy and priority-setting body in the Metropolitan Toronto Government structure, the various Agencies, Boards and Commissions also provide service to the public with varying degrees of decision-making independence. In general, Metropolitan Toronto Council broadly overseas these boards and provides a substantial portion of their funding. In 1991, the staff complement of the Agencies, Boards and Commissions was 20,676 permanent employees.

Amalgamated services assigned to the Metropolitan Corporation are as follows: police protection, regional roads and expressways, public transit, solid waste disposal, water pollution control, water supply, ambulance services, social services, homes for the aged, assisted housing, children's services, and regional parks. Services which are the exclusive responsibility of the Area Municipalities include: fire protection, local streets, garbage collection, local and neighbourhood parks, local parking lots, administration of civic elections, collection of property taxes, local sewers and the water distribution system. The responsibility for some public works and services in Metropolitan Toronto is shared by the Metropolitan Corporation and the individual area municipalities. The degree to which the problem is metropolitan or local in scope determines the division of responsibility.

Except for the issuance of debentures, the operation, administration and financing of the public elementary and secondary school system in Metropolitan Toronto are the responsibility of the Metropolitan Toronto School Board and the Boards of Education for the individual area municipalities. These school boards are independent of the Metropolitan Corporation and the area municipalities. The total funding requirements of the school boards are combined into a composite budget to determine the Metropolitan tax levy for public education purposes each year. This funding requirement is then requisitioned from the Metropolitan Corporation which in turn, levies upon the area municipalities based on taxable education assessments.

The area municipalities collect taxes from the ratepayers within their individual jurisdictions on behalf of the Metropolitan Toronto government, the Boards of Education as well as for their own purposes. Sums requisitioned for education and metropolitan purposes are then remitted to the Metropolitan Corporation, which in turn, transfers the education funding component to the Metropolitan Toronto School Board.

METROPOLITAN COUNCIL 1991-1994

CHAIRMAN

Alan Tonks
York - Humber

MAYORS

Fergy Brown
York

David Johnson
East York

Mel Lastman
North York

June Rowlands
Toronto

Bruce Sinclair
Etobicoke

Joyce Trimmer
Scarborough

COUNCILLORS

Brian Ashton
Scarborough - Bluffs

Maria Augimeri
North York - Black Creek

Ila Bossons
Toronto - Midtown

Scott Cavalier
Scarborough - Agincourt

Raymond Cho
Scarborough - Malvern

Olivia Chow
Toronto - Downtown

Paul Christie
Toronto - East Toronto

Mike Colle
York - Eglinton

Dennis Flynn
Etobicoke - Kingsway-Humber

Dennis Fotinos
Toronto - Davenport

Norman Gardner
North York - Centre

Mario Gentile
North York - Humber

Lois Griffin
Etobicoke - Rexdale-Thistletown

Brian Harrison
Scarborough - City Centre

Roger Hollander
Toronto - Don River

Anne Johnston
Toronto - North Toronto

Blake Kinahan
Etobicoke - Lakeshore-Queensway

Joan King
North York - Seneca Heights

Marie Labatte
North York - Don Parkway

Ken Morrish
Scarborough - Highland Creek

Howard Moscoe
North York - Spadina

Dick O'Brien
Etobicoke - Markland-Centennial

Peter Oyler
East York

Joe Pantalone
Toronto - Trinity-Niagara

Maureen Prinsloo
Scarborough - Wexford

Bev Salmon
North York - Centre South

Derwyn Shea
Toronto - High Park

SENIOR MANAGEMENT

METROPOLITAN DEPARTMENTS

Alan Tonks
Metropolitan Chairman

Dale E. Richmond
Chief Administrative Officer

Allan G. Andrews
Metropolitan Auditor

Robert G. Bundy
Commissioner
Parks and Property

Daniel Crombie
Metropolitan Clerk

John Dean
Commissioner
Ambulance Services

Ossie Doyle
Metropolitan Solicitor

Peter Ferguson
Commissioner
Personnel

Robert G. Ferguson
Commissioner
Works

Douglas P. Floyd
Commissioner
Transportation

John A. Gartner
Commissioner
Planning

Donald R. Richmond
Commissioner
Community Services

John L. Pickard
Commissioner of Finance and
Treasurer

Chris Roberts
Commissioner
Corporate Services

AGENCIES, BOARDS AND COMMISSIONS

Allan Leach
Chief General Manager
Toronto Transit Commission

William McCormack
Chief
Metropolitan Toronto
Police Force

Peter Moore
Chief General Manager
Exhibition Place

Martin Onrot
General Manager
O'Keefe Centre

Carol Ruddell-Foster
General Manager
Metropolitan Licensing Commission

Frances Schwenger
Director
Metropolitan Toronto Library Board

Calvin White
General Manager
Metropolitan Toronto Zoo